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NSC BRIEFING

1 December 1954

SITUATION IN SOUTH VIETNAM

I. Ouster of General Hinh.

A. His statement to Paris press
he would return to Saigon
"whatever Bao Dai's decision"
presumably touched off dis-
missal.

B. But terms of dismissal indicate
Bao Dai abandoning equivocal
stand.

II. Army-government reconciliation will
not be automatic.

A. Hinh once said he would oppose
Diem politically if fired.

B. Boasted he could carry out
coup from Paris. *Now openly denounces
Diem Govt as one of "Murder, Corruption"*

C. Had begun putting his men in
key positions before leaving
Saigon.

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(Danger of Benedict Arnold deal with VM)

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- D. Tension within army still high. Substantial clash between Army & Police
- E. Ely has feared Diem-Hinh in Saigon last night. dispute might be replaced by conflict between premier and General Vy, Hinh's replacement.

F. Vy lacks Diem's confidence.
G. Trouble brewing between Hoa Hao & Diem

III. Hinh is political lightweight, but backing of French elements offset this.

- A. Hinh's French backers can switch to other anti-Diem champions.
- B. French military has vested interest anti-Diem feeling in army, since Diem favors US takeover of training.
- D. French radio in Saigon warns Viets against "heavy hand" of US.

all but 4000 troops

Reported French plans for withdrawal from Haiphong

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effort to make deal with VM in exchange for Haiphong

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IV. Meanwhile, Viet Minh making capital in South.

- A. Their shadow government extending control despite formal troop withdrawal.
- B. This facilitated by widespread feeling Viet Minh takeover is mere matter of time.
- C. Viet Minh troop evacuees convinced removal only temporary, satisfied to leave their dependents.

On other hand VM messages indicate rank & file disillusionment in North with economic conditions and harshness of regime.

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